

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

MILWAUKEE COUNTY

901 North 9th Street

Milwaukee, Wisconsin 53233-1425,

Case No. 2:06 cv-00372-CNC

EMPLOYEE'S RETIREMENT SYSTEM OF THE
COUNTY OF MILWAUKEE, and
PENSION BOARD, EMPLOYEE'S
RETIREMENT SYSTEM OF THE COUNTY OF
MILWAUKEE,

901 North 9th Street, Rm 210

Milwaukee, Wisconsin 53233-1425,

Plaintiffs,

Hon. Charles N. Clevert, Jr.

vs.

MERCER HUMAN RESOURCE CONSULTING,
INC. f/k/a WILLIAM M. MERCER,
INCORPORATED,

1209 Orange Street

Wilmington, Delaware 19801,

Defendant.

DECLARATION OF KENNETH E. MCNEIL

I, Kenneth E. McNeil, under penalty of perjury under the laws of the United States, and pursuant to 28 U.S.C. § 1746, declare the following:

1. I am an attorney at law licensed to practice in the State of Texas and am admitted to practice before this Court. I am a member of the law firm of Susman Godfrey, L.L.P., lead attorney of record for Plaintiffs Milwaukee County, Employee's Retirement System of the County of Milwaukee, and Pension Board, Employee's Retirement System of the County of Milwaukee ("Plaintiffs") in the above-titled action. As one of the attorneys at Susman Godfrey,

L.L.P. with responsibility for the representation of Plaintiffs in this matter, I make this declaration based on my own personal knowledge and in support of Plaintiffs' Response to Mercer's Motion for Summary Judgment, Milwaukee County's Responses to Mercer's Findings of Fact, and Plaintiffs' Proposed Findings of Fact and Support of its Response to Motion for Summary Judgment.

2. Attached hereto as Exhibit A is a true and correct copy of excerpts from the August 15, 2007 deposition of F. Thomas Ament taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

3. Attached hereto as Exhibit B is a true and correct copy of excerpts from the June 14, 2007 deposition of Lynne DeBruin taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

4. Attached hereto as Exhibit C is a true and correct copy of excerpts from the August 8, 2007 deposition of Gary Dobbert taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

5. Attached hereto as Exhibit D is a true and correct copy of excerpts from the August 9, 2007 deposition of Gary Dobbert taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness

was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

6. Attached hereto as Exhibit E is a true and correct copy of excerpts from the June 27, 2007 deposition of Jerome Heer taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

7. Attached hereto as Exhibit F is a true and correct copy of excerpts from the January 10, 2008 deposition of Kim Nicholl taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

8. Attached hereto as Exhibit G is a true and correct copy of excerpts from the February 21, 2008 deposition of Kim Nicholl taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

9. Attached hereto as Exhibit H is a true and correct copy of excerpts from the June 19, 2007 deposition of Karen Ordinans taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

10. Attached hereto as Exhibit I is a true and correct copy of excerpts from the March 13, 2008 deposition of John W. Peavy, III taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

11. Attached hereto as Exhibit J is a true and correct copy of excerpts from the April 10, 2007 deposition of Dennis Skelly taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

12. Attached hereto as Exhibit K is a true and correct copy of excerpts from the April 3, 2007 deposition of Glenn W. Soderstrom taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

13. Attached hereto as Exhibit L is a true and correct copy of excerpts from the May 1, 2007 deposition of Paul Tereshchenko taken in the above-captioned matter. It comprises the cover page of the deposition transcript, the pages of the transcript that establish the witness was administered an oath, the relevant portions of the deposition, and the certification page from the court reporter.

14. Attached hereto as Exhibit M is a true and correct copy of the Wisconsin Statute Chapter 405, Laws of 1965, published December 3, 1965 (Bates Nos. CC 034537 - CC 034538).

15. Attached hereto as Exhibit N is a true and correct copy of page 1069 providing the definition of “No Contest” contained in Black’s Law Dictionary, 7th ed., 1999.
16. Attached hereto as Exhibit O is a true and correct copy of Chapter 1 of the Milwaukee County Code of General Ordinances, Rules of the County Board of Supervisors.
17. Attached hereto as Exhibit P is a true and correct copy of Chapter 200 of the Milwaukee County Code of General Ordinances relative to pension study commissions.
18. Attached hereto as Exhibit Q is a true and correct copy of an excerpt from the Milwaukee County Code of General Ordinances Chapter 201, Section 3.1 relative to County Contributions and Section 8.6 relative to Rules and Regulations.
19. Attached hereto as Exhibit R is a true and correct copy of Client Activity Detail regarding Mercer billing dated July 1, 1997 (Bates Nos. DOJ 011564 - DOJ 011572).
20. Attached hereto as Exhibit S is a true and correct copy of a September 5, 2000 email from Glenn Soderstrom to Dennis Skelly, Matthew Stuart, and Frank Stuvenvoll regarding a conversation with Gary Dobbert (Bates No. 04112).
21. Attached hereto as Exhibit T is a true and correct copy of a March 6, 2003 “Design in Actuarial Aspects of Deferred Retirement Option Programs for Society of Actuaries” prepared by Bolton Partners, Inc. (Bates Nos. NICH 001751- NICH 001847).
22. Attached hereto as Exhibit U is a true and correct copy of an article from The Journal dated October/November 1997 entitled “DROP the Hot New Benefit” (Bates Nos. NICH 001892 - NICH 001907).
23. Attached hereto as Exhibit V is a true and correct copy of the NAPPA Report dated February of 1998 containing an article entitled “Deferred Retirement Option Programs” by

Cindy Birley and Kent Eichstadt of William M. Mercer, Inc. (Bates Nos. NICH 001850 - NICH 001853).

24. Attached hereto as Exhibit W is a true and correct copy of an email from Patrick Landry to Dennis Skelly regarding a conversation with Gary Dobbert and presentation on DROP provisions in public sector plans (Bates No. DOJ 013082).

25. Attached hereto as Exhibit X is a true and correct copy of the November 8, 2000 Record of the County Board and County Executive Actions relative to Ordinance 00-666 (Bate no. MILW 002020).

26. Attached hereto as Exhibit 2 is a true and correct copy of an April 14, 2000 interoffice memo from Gary J. Dobbert and Henry H. Zielinski of Milwaukee County to F. Thomas Ament regarding labor negotiation strategies (Bates Nos. DOJ 006874 – DOJ 006883).

27. Attached hereto as Exhibit 3 is a true and correct copy of a June 5, 2000 letter from Dennis A. Skelly of William M. Mercer to Gary Dobbert of Milwaukee County regarding exhibits summarizing the projected costs for proposed plan changes in annual funding calculations (Bates Nos. MA 043482 – MA 043491).

28. Attached hereto as Exhibit 4 is a true and correct copy of a June 8, 2000 letter from Glenn W. Soderstrom of William M. Mercer to Gary Dobbert of Milwaukee County regarding the average annual asset return (Bates Nos. MA 043503 - MA 043504).

29. Attached hereto as Exhibit 5 is a true and correct copy of a June 14, 2000 faxed memo from Gary Dobbert to Matt Stuart and Glenn Soderstrom regarding attached draft relative to labor negotiation information (Bates Nos. MA 040578 - MA 040583).

30. Attached hereto as Exhibit 6 is a true and correct copy of a July 1, 2000 Client Activity Detail relative to Mercer billing (Bates No. MA 019400).

31. Attached hereto as Exhibit 7 is a true and correct copy of June 20, 2000 handwritten notes regarding DROP (Bates No. DOJ 007132).
32. Attached hereto as Exhibit 8 is a true and correct copy of June 20, 2000 handwritten notes regarding DROP (Bates No. DOJ 007131).
33. Attached hereto as Exhibit 9 is a true and correct copy of a June 20, 2000 fax from Glenn Soderstrom of William M. Mercer to Gary Dobbert of Milwaukee County regarding comments on proposed retirement plan changes (Bates Nos. MA 040577 - MA 040576).
34. Attached hereto as Exhibit 10 is a true and correct copy of a June 22, 2000 interoffice memo from Gary Dobbert to Tom Ament regarding labor negotiation information (Bates Nos. DOJ 003070 - DOJ 003078).
35. Attached hereto as Exhibit 11 is a true and correct copy of a June 27, 2000 table of the labor contract negotiation strategy listing options and costs (Bates No. 03937).
36. Attached hereto as Exhibit 12 is a true and correct copy of an August 21, 2000 agreement between Pension Board of Employees' Retirement System of the County of Milwaukee and William M. Mercer (Bates Nos. MA 042887 - MA 042896).
37. Attached hereto as Exhibit 13 is a true and correct copy of the August 31, 2000 Professional Service Agreement between Milwaukee County and William M. Mercer (Bates Nos. MA 042895 – MA 042902).
38. Attached hereto as Exhibit 14 is a true and correct copy of a September 5, 2000 email from Glenn Soderstrom to Dennis Skelly, Matthew Stuart, and Frank Stuvenvoll regarding a phone conversation with Gary Dobbert (Bates No. MA 040544).

39. Attached hereto as Exhibit 15 is a true and correct copy of an October 25, 2000 interoffice memo from Gary Dobbert to Pension Study Commission regarding pension ordinance revisions (Bates Nos. DOJ 005845 – DOJ 005854).

40. Attached hereto as Exhibit 18 is a true and correct copy of a list of commission/committee/board actions (Bates Nos. MILW 026603 – MILW 026604).

41. Attached hereto as Exhibit 19 is a true and correct copy of a December 1, 2000 Client Activity Detail Relative to Mercer billing (Bates Nos. WM 0001506 - WM 0001513).

42. Attached hereto as Exhibit 21 is a true and correct copy of a January 1, 2000 email from Glenn Soderstrom to Matthew Stuart and Dennis Skelly regarding the Milwaukee County Deputy Sheriffs and report to the Board (Bates No. DOJ 012333).

43. Attached hereto as Exhibit 22 is a true and correct copy of a January 1, 2000 email from Matthew Stuart to Dennis Skelly and Glenn Soderstrom regarding DROP costs (Bates No. DOJ 001735).

44. Attached hereto as Exhibit 23 is a true and correct copy of a January 1, 2001 letter from Dennis A. Skelly of William M. Mercer to Gary Dobbert of Milwaukee County regarding an invoice for actuarial consulting work (Bates No. WM 0001132).

45. Attached hereto as Exhibit 24 is a true and correct copy of a January 16, 2001 letter from Dennis A. Skelly of William M. Mercer to Gary Dobbert of Milwaukee County regarding an updated package and compensation changes, includes peer review stamp (Bates Nos. MA 039677 - MA 039678).

46. Attached hereto as Exhibit 41 is a true and correct copy of a January 28, 2002 Department of Justice Case Activity Report relative to an interview of Dennis A. Skelly (Bates Nos. DOJ 000002 – DOJ 000004).

47. Attached hereto as Exhibit 44 is a true and correct copy of an April 2, 2002 memo from Gary A. Freyberg of the Department of Justice from Michael G. Myszewski regarding the Dennis Skelly interview (Bates Nos. DOJ 000008 – DOJ 000015).

48. Attached hereto as Exhibit 79 is a true and correct copy of a color photograph of a boardroom.

49. Attached hereto as Exhibit 99 is a true and correct copy of a list of reasons for reduction in monthly benefit when selecting DROP (Bates Nos. 04194- 04200).

50. Attached hereto as Exhibit 111 is a true and correct copy of a performance and development plan for Dennis Skelly dated December 3, 2002 for the year 2002 (Bates Nos. MSUPP 001357 - MSUPP 001403).

51. Attached hereto as Exhibit 137 is a true and correct copy of a February 1, 2001 Client Activity Detail relative to Mercer billing (Bates Nos. WM 001488 – WM 001496).

52. Attached hereto as Exhibit 138 is a true and correct copy of a December 30, 2000 Client Activity Detail relative to Mercer billing (Bates Nos. WM 001499 – WM 001505).

53. Attached hereto as Exhibit 164 is a true and correct copy of a chart of the the Milwaukee County Employee Retirement System 2003 Impact of Changes in Back Drop Provisions (Bate No. MA001557).

54. Attached hereto as Exhibit 178 is a true and correct copy of a January 17, 2002 transcript of the Milwaukee County Board of Supervisors Finance and Audit Committee meeting (DeBruin Dep. Ex. 178; Bates Nos. MIL 028108 – MIL 028142).

55. Attached hereto as Exhibit 197 is a true and correct copy of a November 2, 2000 Resolution/Ordinance, File No. 00-666 (DeBruin Dep. Ex. 198; Bates Nos. L&M 0046 – L&M 0062).

56. Attached hereto as Exhibit 256 is a true and correct copy of the Mercer Contracts binder.

57. Attached hereto as Exhibit 258 is a true and correct copy of the Mercer Bills binder.

58. Attached hereto as Exhibit 259 is a true and correct copy of April 2000 handwritten notes regarding the County and Dobbert-DROP decision (Bates No. DOJ 011142).

59. Attached hereto as Exhibit 266 is a true and correct copy of the 2001 labor contract negotiations goal including non-reps September 8, 2000 meeting, County Executives Conference Room (Bates No. DOJ 008726).

60. Attached hereto as Exhibit 268 is a true and correct copy of an October 30, 2000 faxed letter from Glenn Soderstrom of William M. Mercer to Gary Dobbert of Milwaukee County regarding a summarization of projected costs for proposed plan changes and annual funding calculations (Bates Nos. DOB 000067 – DOB 000072).

61. Attached hereto as Exhibit 269 is a true and correct copy of an October 31, 2000 faxed letter from Glenn Soderstrom of William M. Mercer to Gary Dobbert Milwaukee County regarding revised exhibits (Bates Nos. DOB 000078 – DOB 000084).

62. Attached hereto as Exhibit 276 is a true and correct copy of a January 22, 2002 email from Ann Egan to Paul Patt and Dennis Skelly regarding draft statement (Bates Nos. MSUPP 04323 – MSUPP 04324).

VERIFICATION PURSUANT TO 28 U.S.C. §1746

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18th day of July, 2008.

s/Kenneth E. McNeil

Kenneth E. McNeil

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